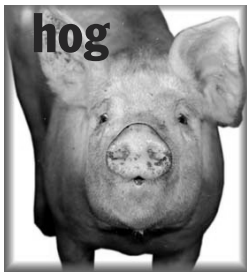


Typical Market Hogs Sold At \$13.60 Profit In June



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

Retail pork demand during June was above a year-earlier for the tenth consecutive month. We have reestablished the monthly meat demand calculations website started by Glenn Grimes. It is available at: <http://agebb.missouri.edu/mkt/demand/index.htm>

The average price of pork at retail during June was \$3.481 per pound, down 0.3 cents from May, but up 37.7 cents from June 2010. The average live price for 51-52 percent lean hogs in June was \$69.88/cwt, up \$1.47 from May, up \$11.65 from June 2010, and a new record for this USDA data series that began in January 1996.

Iowa State calculations estimate the typical market hog was sold at a profit of \$13.60 in June. The average for the first half of 2011 was a per head profit of \$6.49. Hogs have been profitable in each month after January.

Cash hog prices were slightly higher this week. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$93.23/cwt, up \$2.35 from last Friday. The Friday morning price report for the western corn belt was \$95.83/cwt. Iowa-Minnesota averaged \$95.85/cwt. The eastern corn belt averaged \$92.03/cwt. Friday's top live hog price at Peoria was \$63/cwt. Zumbrot's top was \$65/cwt. The top for interior Missouri live hogs was \$67.50/cwt, the same as the pre-

vious Friday.

The pork cutout value rose for the third consecutive week. USDA's Thursday afternoon calculated pork cutout value was \$99.73/cwt, up \$1.07 from the previous Thursday. The cutout was above \$100/cwt on Monday for only the third day ever. Loins and bellies were higher this week; hams and butts were lower. This morning's national average hog carcass price equaled 93.5 percent of the pork cutout value which is slightly in the red for pack-

ers.

Hog slaughter totaled 2.01 million head this week, down 0.4 percent from last week, up 2.6 percent compared to the same week last year, and in line with USDA's June inventory number. Year-to-date hog slaughter is down 0.7 percent.

Barrow and gilt carcass weights for the week ending July 9 averaged 200 pounds, up 1 pound from a week earlier and 1 pound heavier than a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 266.6 pounds, unchanged from the week before and down 0.7 pound compared to the same week last year. This is the eighth consecutive week Iowa-Minnesota weights have been below the year-earlier level. Given the hot weather, slaughter weights are likely to continue to drop.

The August lean hog futures contract settled today at \$100.82/cwt, up \$1.87 from the previous Friday. The October hog contract settled Friday at \$92.57/cwt, up 92 cents for the week. December hogs settled at \$89.17 and February closed at \$91.22/cwt.

The September corn futures contract lost 11 cents this week to settle at \$6.90/bu. December corn futures close at \$6.855, up 1 cent from the previous Friday. The May 2012 contract ended the week at \$7.05/bu. Δ

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